

MASSACHUSETTS

Workforce Investment Act

STEERING COMMITTEE

WIA Communication No. 00-32

☒ **Policy** ☐ **Information**

To: Chief Elected Officials
Workforce Investment Board Chairs
Workforce Investment Board Directors
Area Directors or Designee
Career Center Directors
DET Regional Directors
DET Area Directors

cc: WIA State Partners

From: Jonathan Raymond, President
Corporation for Business, Work, and Learning

Date: August 15, 2000

Subject: Process for Additional Funding of Dislocated Worker Projects

Purpose: To transmit the Commonwealth's policy regarding the process for distribution of additional funding for dislocated worker projects.

Background: The Corporation for Business, Work, and Learning (CBWL), as the Dislocated Worker Unit in the Commonwealth, has been given the responsibility by the Department of Labor and Workforce Development for the distribution and management of the discretionary funds available for dislocated worker projects in Massachusetts. These funds include the remaining JTPA National Reserve Account (NRA) funds, the WIA Rapid Response 25% set-aside funds and the new WIA National Emergency Grants (NEG) (federal regulations on National Emergency Grants are expected in September 2000).

This policy is intended to address when and how these funds will be made available to local areas impacted by plant closings and major dislocations.

Policy: The Commonwealth's policy regarding the distribution of additional funds for dislocated worker projects is attached. This policy shall apply to all Massachusetts Local Workforce Investment Areas.

Effective: Immediately.

References: CBWL Policy #00-28-Rapid Response Activities

Inquiries: Questions related to this policy should be directed to Ken Messina at (617) 727-8158 ext. 1346.

Filing: Please file this in your notebook of previously issued WIA Communication Series Issuances as #00-32.

The Corporation for Business, Work, and Learning (CBWL) has developed a process to manage and respond to mass layoffs, closings and potential closings that precipitate substantial increases in the number of unemployed individuals in a given area. This process normally begins with CBWL Rapid Response activities. Upon receipt of notification of a plant closing or substantial/mass layoff, the CBWL Rapid Response Team will notify the Local Workforce Investment Board (LWIB) and Chief Elected Official (CEO) of the activity (CBWL Policy 00-28, Rapid Response Activities). Alternatively, CBWL's Economic Stabilization Trust ("The Trust" created in 1984), which lends working capital to manufacturers, has successfully employed management intervention strategies to prevent companies from filing for bankruptcy and closing their plants. The Trust can utilize discretionary resources to bring in outside specialists to provide a diagnostic assessment of the company's viability as a layoff aversion technique and in turn provide management services to sustain troubled enterprises. Moreover, the Trust has the ability to negotiate with pre-existing lenders and invest its own resources in forestalling a potential bank liquidation or ultimate business closure. The Trust is closely coordinated with the CBWL Rapid Response Team to maximize the wide range of services available to, whenever possible, assist companies to avoid layoffs.

CBWL Rapid Response staff will work with the affected company to gather information regarding the impacted population. Examples of this data collection include but are not limited to:

- Demographic information
- Job titles
- Salary information
- Service length with the company
- Education levels
- Interest of the workers in accessing services

Using this information, Rapid Response and other CBWL staff along with the Local Workforce Investment Board (LWIB) will develop a plan of action for Rapid Response and other services available from CBWL, One Stop Career Centers, Division of Employment and Training, Department of Economic Development and other state and local programs. This plan may include aversion strategies, turnaround management assistance and/or an implementation strategy and schedule to provide on-site services to the laid-off workers by the CBWL Rapid Response Team. In developing this plan, it may become apparent that a majority of the targeted population may have serious barriers to employment that will require intensive and training services. If this is the case, CBWL Rapid Response staff will work with the local board and the appropriate CBWL Field Consultant to determine whether adequate resources exist with the current fiscal year WIA Title I Dislocated Worker funding to serve this special population. If sufficient funds do not exist to serve these workers, CBWL Rapid Response will work within the LWIB to seek alternative funding sources. These alternative sources may include contributions from the company, the union(s) and/or other sources.

In the event that funds from other sources are not sufficient to cover the cost of the proposed services, CBWL Rapid Response staff will present the dislocation event for consideration of additional funding. The LWIB may provide a summary outlining the need for additional funds to CBWL Rapid Response to be included as part of the presentation. In order for the event to be considered for additional funding, it must meet the following criteria:

1. The event must be a plant closing or major layoff for which the company issued a WARN notification or the closing must be of an emergency nature where WARN notification was not possible.
2. The size of the dislocation must warrant additional funding.
3. The CBWL Rapid Response team has, through job development efforts, attempted to get the affected population re-employed prior to intensive and training services.
4. A large percentage of the affected workforce must have serious barriers to employment.
5. The closing or major layoff occurs at a time when formula funding is not available or will not become available in the near future.
6. Efforts to secure other sources of funding must be documented.

CBWL will review the information provided by Rapid Response as well as other relevant documentation including fiscal and participant reports. Selection of the source of funds will also be decided by CBWL in consultation with DLWD. Factors such as the timing of the layoffs, the size of the dislocation, the needs of the population and the amount of funds available will determine whether the project is funded with Rapid Response 25% set-aside funds, funds reprogrammed from an existing National Reserve Account grant or a new National Emergency Grant under the Workforce Investment Act. Once a decision has been made, the Local Workforce Investment Board will be notified in writing. At that time, additional information and/or planning documents will be requested as appropriate based upon the selected source of funds. Please note that funds may be distributed incrementally based upon the number of participants receiving services.

Please be advised that Rapid Response funds under WIA are considered separate from formula funds and will not be added to the current fiscal year WIA Title I Dislocated Worker grant. Therefore, separate fiscal and participant tracking and reporting will be required.